VERMILION PARISH ASSESSOR FINANCIAL REPORT DECEMBER 31, 2011

Under provisions of state law, this report is a public document. Acopy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and where appropriate, at the office of the parish cierk of court.

Release Date APR 1 8 2012

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The Vermilion Parish Assessor Abbeville, Louisiana

We have audited the accompanying basic financial statements of the Vermilion Parish Assessor as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Vermilion Parish Assessor's management. Our responsibility is to express an opinion on these financial statements based on our audit

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Vermilion Parish Assessor as of December 31, 2011, and the change in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America

In accordance with Government Auditing Standards, we have also issued our report dated March 16, 2012, on our consideration of the Assessor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters

Members of American Institute of Certified Public Accountants Society of Lowisians Certified Public Accountants

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The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 3 through 6 and pages 32 and 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements We do not express an opinion or provide any assurance on the Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison schedule has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the budgetary comparison schedule is fairly stated in all material respects in relation to the financial statements as a whole.

Bronssard, Poche, Lawis : Breamy LLP.

Lafayette, Louisiana March 16, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Vermilion Parish Assessor's financial performance provides an overview of Vermilion Parish Assessor's financial activities for the fiscal year ended December 31, 2011. Please read it in conjunction with the Assessor's financial statements, which begin on page 8.

T. FINANCIAL HIGHLIGHTS

Vermilion Parish Assessor's net assets decreased by \$101,290 or 10 4% as a result of 2011's operations.

Vermilion Parish Assessor's total revenues were \$892,826 compared to \$899,502 in 2010, a decrease of \$6,676 or 0 7%.

Total expenses for Vermilion Parish Assessor during the year ending December 31, 2011 were \$994,116 compared to \$980,912 last year, an increase of \$13,204 or 1.4%

II USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The statement of net assets and the statement of activities (pages 8 and 9) provide information about Vermilion Parish Assessor's activities as a whole and present a longer-term view of Vermilion Parish Assessor's finances. Fund financial statements start on page 12. These statements tell how the services were financed in the short-term as well as what remains for future spending.

A REPORTING VERMILION PARISH ASSESSOR AS A WHOLE

1. THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

Our analysis of Vermilion Parish Assessor as a whole begins on page 4 One of the most important questions asked about Vermilion Parish Assessor's finances is, "Is Vermilion Parish Assessor, as a whole, better off or worse off as a result of the year's activities?" The statement of net assets and the statement of activities report information about Vermilion Parish Assessor as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid

These two statements report Vermilion Parish Assessor's net assets and the changes in them. These net assets, the difference between the assets and the liabilities, is one way to measure Vermilion Parish Assessor's financial position or financial health. Over time, increases or decreases in Vermilion Parish Assessor's net assets are one indicator of whether its financial health is improving or deteriorating

We report the fund maintained by the Vermilion Parish Assessor as governmental activities in the statement of net assets and the statement of activities.

B. REPORTING VERMILION PARISH ASSESSORS'S MOST SIGNIFICANT FUNDS

1. FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the Vermilion Parish Assessor's General Fund, not the Vermilion Parish Assessor as a whole.

All of Vermilion Parish Assessor's expenses are reported in a governmental fund, which focuses on how money flows into and out of that fund and the balances left at year-end that are available for This fund is reported using the modified accrual method, which measures cash and all other financial assets that could be readily converted to cash The governmental fund statements provide a detailed short-term view of Vermilion Parish Assessor's general operations and the expenses paid from this fund The information in the governmental fund helps determine if there are more or less financial resources to finance future Vermilion Parish Assessor We describe the relationship (or differences) between expenses. governmental activities (reported in the statement of net assets and the statement of activities) and the governmental fund in a reconciliation following the fund financial statements.

III. VERMILION PARISH ASSESSOR AS A WHOLE

Vermilion Parish Assessor's total net assets decreased in the current year from \$972,282 to \$870,992. The following reflects the condensed statement of net assets as of December 31, 2011, with comparative figures from 2010

TABLE I
CONDENSED STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	2011	2010
Assets:		
Current assets	\$ 1,250,714	\$ 1,218,087
Capital assets	25,102	24,632
Total assets	<u>\$ 1,275,816</u>	\$ 1,242,719
Liabilities		
Current liabilities	\$ 11,725	\$ -
Long-term liabilities	393,099	<u> 270,437</u>
Total liabilities	\$ 404,824	\$ 270,437
Net assets:		
Invested in capital assets	\$ 25,102	\$ 24,632
Unrestricted	<u>845,890</u>	947,650
Total net assets	\$ 870,992	\$ 972,282
Total liabilities and net assets	<u>\$ 1,275,816</u>	<u>\$ 1,242,719</u>

Net assets of Vermilion Parish Assessor's governmental activities decreased by \$101,290 or 10 4% from 2010 Unrestricted net assets, the part of net assets that can be used to finance Vermilion Parish Assessor's expenses without constraints or other legal requirements, decreased \$101,760 or 10.7% from 2010

The following table provides a summary of the changes in net assets for the year ended December 31, 2011, with comparative figures from 2010.

TABLE II
CONDENSED STATEMENT OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31. 2011 AND 2010

	2011	2010
Revenues:		
Program revenues-		
Charges for services	\$ 16,789	\$ 17,307
Operating grants and contributions	15,000	15,000
Capital grants and contributions	8,513	-
General revenues -		
Ad valorem taxes	788,880	789,817
Other	63,644	77,378
Total revenues	\$ 892,826	\$ 899,502
Expenses		
General government	\$ 994,116	\$ 980,912
Increase (decrease) in net assets	\$ (101,290)	\$ (81,410)

During the fiscal year ended December 31, 2011, property tax revenue decreased \$937 or approximately 0.1%. Expenses increased by \$13,204 or approximately 1 4%

IV. GENERAL FUND BUDGETARY HIGHLIGHTS

The Vermilion Parish Assessor's budget was revised once during the 2011 fiscal year mainly to increase budgeted intergovernmental revenues and decrease budgeted salary and related expenditures. Actual revenues exceeded budgeted revenues by \$12,850 and actual expenditures were \$851 less than final budgeted expenditures

The net increase in fund balance for the year ended December 31, 2011 of \$18,575 was \$13,701 more than the anticipated (final budgeted) increase

V. CAPITAL ASSETS

At the end of 2011, Vermilion Parish Assessor had \$25,102 invested in capital assets. This amount represents a net increase of \$470 or 1.9% from 2010. This was due primarily to the recording of depreciation of \$8,043 in 2011, and investing in capital outlay additions of \$8,513.

VI. LONG-TERM LIABILITIES

Long-term obligations of the Vermilion Parish Assessor consist only of other post-employment benefit obligations. Detailed information about the obligation is presented in Note 10 to the financial statements.

VII. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary factors considered when preparing the fiscal year 2012 budget were the ad valorem tax revenues and salaries and related expenditures. The ad valorem tax is expected to produce \$801,153 or approximately 91% of the total budgeted revenues. Salaries and related expenditures are expected to total \$822,497 or 89% of the total budgeted expenditures. The 2012 budget was prepared based on 2011 results with adjustments for expected increases or decreases in revenues and expenditures.

VIII. CONTACTING THE VERMILION PARISH ASSESSOR'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the funds maintained by Vermilion Parish Assessor and to show Vermilion Parish Assessor's accountability for the monies it receives. If you have any questions or need additional financial information, contact Kathryn Broussard, Assessor, at 100 N. State Street, Suite 110, Abbeville, Louisiana 70510

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS December 31, 2011

ASSETS

Cash Certificates of deposit Ad valorem taxes receivable, net Due from other governmental agencies Capital assets:	\$	204,799 308,105 43,635 694,175
Depreciable, net	_	25,102
Total assets	<u>\$1</u>	<u>,275,816</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$	11,725
Long-term liabilities:		
Due in more than one year -		
Other post-employment benefit obligation	_	393,099
Total liabilities	\$	404,824
NET ASSETS		
Invested in capital assets	\$	25,102
Unrestricted	_	845,890
Total net assets	<u>\$</u>	870,992
Total liabilities and net assets	<u>\$1</u>	<u>,275,816</u>

VERMILION PARISH ASSESSOR

STATEMENT OF ACTIVITIES Year Ended December 31, 2011

Net Expense and Change in	Net Assets Governmental Activities	\$ 953,814	\$ 788,880		56,014 7,630	\$ 852,524	\$ (101,290)	972,282
	Capital Grants and Contributions	\$ 8,513						
Program Revenues	Operating Grants and Contributions	\$ 15,000	S, Ses	ntributions ted to	ograms rnıngs	Total general revenues	Change in net assets	guruurbə
	Charges for Services	\$ 16,789	General revenues. Ad valorem taxes	Grants and contributions not restricted to	specific programs Investment earnings	Total gen	Change in	Net assets, beginning
	Expenses	\$ 994,116						
	Function/Program	Governmental activities: General government						

See Notes to Financial Statements.

\$ 870,992

Net assets, ending

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FUND FINANCIAL STATEMENTS

BALANCE SHEET GOVERNMENTAL FUND December 31, 2011

ASSETS	General Fund
Cash Certificates of deposit Ad valorem taxes receivable, net Due from other governmental agencies	\$ 204,799 308,105 43,635 694,175
Total assets	\$1,250,714
LIABILITIES AND FUND BALANCE LIABILITIES	
Accounts payable	\$ 11,725
Deferred revenue	801,153
Total liabilities	\$ 812,878
FUND BALANCE Unassigned	437,836
Total liabilities and fund balance	\$1,250,714

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET ASSETS December 31, 2011

Total fund balance - governmental fund		\$ 437,836
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund. Those assets consisted of - Furniture, fixtures, and equipment Accumulated depreciation	\$ 170,723 (145,621)	25,102
Most of the Assessor's taxes will be collected after year end, but they are not available soon enough to pay for the current period's expenditures and are therefore reported as deferred revenue in the fund		801,153
Long-term liabilities, including other post- employment benefit payable, are not due and payable in the current period and therefore are not reported in the fund		(393, 099)
Total net assets of governmental activity	es	<u>\$ 870,992</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUND

Year Ended December 31, 2011

	General Fund
Revenues: Ad valorem taxes	\$ 786,553
• • • • • • • • • • • • • • • • • • • •	\$ 786,553
Intergovernmental - Federal grant	8,513
-	
State revenue sharing	56,014
Vermilion Parish Police Jury	15,000
Charges for services	16,789
Investment earnings	7,630
Total revenues	\$ 890,499
Expenditures:	
Current -	
General government	\$ 863,411
Capital outlay	8,513
Total expenditures	\$ 871,924
Net change in fund balance	\$ 18,575
Fund balance, beginning	419,261
Fund balance, ending	<u>\$ 437,836</u>

\$ 18,575

VERMILION PARISH ASSESSOR

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES Year Ended December 31, 2011

The change in net assets reported for governmental activities in the statement of activities is different because. Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Depreciation expense \$ (8,043) Capital outlay ___ 8,513 470 Revenue in the statement of activities that does not provide current resources is not reported as revenue in the fund. 2,327

Issuing debt increases long-term liabilities
in the statement of net assets.

Net change in fund balance - governmental fund

Net OPEB obligation

\$ (101,290)

(122,662)

Change in net assets of governmental activities

NOTES TO FINANCIAL STATEMENTS

Note 1 Summary of Significant Accounting Policies

The financial statements of the Vermilion Parish Assessor (the "Assessor") have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Assessor's accounting policies are described below.

Reporting entity.

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a term of four years beginning January 1 following the year in which elected. A vacancy occurring in the office in which the unexpired term is one year or more is filled by a special election to be held within 60 days of the occurrence of the vacancy; a vacancy in which the unexpired term is less than one year is filled by an appointment of the governor.

The Assessor assesses property, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and provides assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office; however, the Assessor is officially responsible for the actions of the deputies.

The Assessor's office is located in the Vermilion Parish Courthouse in Abbeville, Louisiana. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

Basis of presentation.

The Assessor's basic financial statements consist of the government-wide and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units

Governmental-wide financial statements -

The government-wide financial statements include the statement of net assets and the statement of activities of the Assessor. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

In the government-wide statement of net assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Assessor's net assets are reported in two parts - invested in capital assets net of related debt and unrestricted

The government-wide statement of activities reports both the gross and net cost of each of the Assessor's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net cost (by function) is normally covered by general revenues (property taxes, intergovernmental revenues, interest income, etc.)

The government-wide focus is more on the sustainability of the Assessor as an entity and the change in the Assessor's net assets resulting from the current year's activities.

Fund financial statements -

The fund financial statements provide information about the Assessor's funds. The emphasis of fund financial statements is on major governmental funds. The Assessor has only one fund, its General Fund. The General Fund is the Assessor's general operating fund. It is used to account for all of the financial resources of the Assessor.

Basis of accounting:

Government-wide financial statements -

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Assessor gives (or receives) value without directly receiving (or giving) equal value in

exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlement, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied

Fund financial statements -

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Assessor considers property taxes as "available" in the year following the assessment, when the majority of the taxes are collected. Revenue from grants, entitlement, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year-end are considered available and recognized as revenue of the current year.

Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds

Cash and investments.

Under state law, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Cash includes amounts in demand deposit accounts while investments include certificates of deposits. These certificates are not subject to GASB No. 31 requirements, thus, they are stated at cost

Custodial credit risk:

Deposits (demand and certificates) -

The Assessor is exposed to custodial credit risk as it relates to its deposits with financial institutions. Custodial credit risk is the risk that in the event of a bank failure, the Assessor's deposits may not be returned to it. The Assessor's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Assessor's name. Accordingly, the Assessor had no custodial credit risk related to its deposits at December 31, 2011.

Fixed assets:

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide financial statements -

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at cost or estimated historical cost. Donated fixed assets are recorded at their fair value at the date of donation. The Assessor maintains a threshold level of \$500 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is calculated on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Furniture and fixtures	5
Equipment	5 - 10

Fund financial statements -

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated absences:

The Assessor has the following policy relating to vacation and sick leave

Vacations are mandatory and vary in length based on years of service Leave can be taken between January 1 and November 1 of each year. In addition to vacation, annual leave consists of 12 working days absence due to illness or business matters. Any unused portion of annual leave does not accumulate and carry forward. If any employee exceeds the 12 days, their salary is reduced accordingly. Should maternity, surgery, or prolonged illness require extended absence, paid leave not to exceed six weeks (including the 12 day annual leave) will be allowed.

Equity classifications.

Government-wide statements -

Equity is classified as net assets and displayed in two components:

- a. Invested in capital assets, net of related debt Consists of capital assets net of accumulated depreciation and reduced by the balance of debt used to acquire capital assets
- b Unrestricted net assets All other net assets that do not meet the definition of "invested in capital assets, net of related debt."

The Assessor has no restricted net assets

Fund financial statements -

Beginning with fiscal year 2011, the Assessor implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- Nonspendable fund balance amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation,
- Committed fund balance amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance amounts a government intends to use for a specific purpose, intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance amounts that are available for any purpose, positive amounts are reported only in the general fund.

The Assessor establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Assessor through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes)

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

Taxes receivable

Taxes receivable consists of amounts due from taxpayers. Taxes receivable are reported net of an allowance for uncollectible accounts based on prior experience. The allowance amount at December 31, 2011 is \$16,023

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures Accordingly, actual results could differ from those estimates

Note 2. Ad Valorem Taxes

Government-wide financial statements -

Property taxes are recognized in the year for which they are levied net of uncollectible amounts, as applicable

Fund financial statements -

Ad valorem taxes are based on assessed values determined by the Assessor on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31

Taxes are budgeted and the revenue recognized in the year following the assessment when the majority of the taxes are actually collected and the Assessor considers them "available."

For the year ended December 31, 2011, taxes were levied on property with assessed valuations totaling \$400,700,850 and the millage was 2.58.

Total taxes levied, exclusive of homestead exemptions, was \$801,153 for 2011. Taxes receivable at December 31, 2011 totaled \$43,635, which is net of an allowance for uncollectible amounts of \$16,023.

Note 3. Due From Other Governmental Agencies

Due from other governmental agencies at December 31, 2011 consists of the following:

Government-wide and fund financial statements Vermilion Parish Sheriff -Ad valorem taxes

\$694,175

Note 4. Capital Assets

Capital assets activity for the year ended December 31, 2011 is as follows:

Governmental activities	Beginning Balance	Increases	<u>Decreases</u>	Ending Balance
Capital assets being				
depreciated -				
Furniture and fixtures	\$ 12,767	\$ -	\$ -	\$ 12,767
Equipment	149,443	8,513		<u>157,956</u>
Total capital assets				
being depreciated	<u>\$ 162,210</u>	\$ 8,513	<u>\$ -0-</u>	\$ 170,723
Less accumulated depreciation				
for -				
Furniture and fixtures	\$ (12,086)	\$ (194)	ş -	\$ (12,280)
Equipment	(125,492)	<u>(7,849</u>)		(133,341)
Total accumulated				
depreciation	<u>\$(137,578</u>)	\$ (8,043)	<u>\$ -0-</u>	\$(145,621)
Total capital assets being	ng			
depreciated, net	\$ 24.632	<u>\$ 470</u>	<u>\$ -0-</u>	<u>\$ 25,102</u>

Depreciation expense was charged to functions as follows

General government <u>\$ 8,043</u>

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Note 5. Operating Leases

The Assessor has entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations. These leases are for vehicles and support governmental activities. Operating lease expenditures for the year ended December 31, 2011 totaled \$10,732.

Note 6. Pension Plan

Plan Description:

Substantially, all employees of the Assessor's office are members of the Louisiana Assessor's Retirement Fund ("System"), a cost sharing multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System Employees who retire at or after age 55 with at least 12 years of credited service or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

Funding Policy:

Plan members are required by state statute to contribute 8% of their annual covered salary and the Assessor is required to contribute at an actuarially determined rate. Contributions to the System include one-fourth of 1% of the taxes shown to be collectable by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Assessor are established and may be amended by state statute. As provided by R.S. 11 103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The rate for 2011 was 13.5% of annual covered payroll. The Assessor's contributions to the System for the years ending December 31, 2011, 2010 and 2009 were \$65,242, \$69,444 and \$67,204, respectively, equal to the required contributions for each year

Note 7. Compensation Paid to Elected Officials

The salary paid to the elected official was as follows for the year ended December 31, 2011:

Kathryn Broussard, Assessor

<u>\$ 135,696</u>

In addition to her salary, an amount equal to 5% of her base salary or \$6,168 was contributed to the deferred compensation plan described in Note 9 on the behalf of the Assessor, \$19,152 was contributed on her behalf to the pension plan described in Note 6, and insurance premiums for health and life insurance in the amount of \$11,849 were paid to the Assessor's Insurance Fund on her behalf.

Note 8. Expenses of the Assessor Not Included in the Financial Statements

Certain operating expenses of the Assessor's office are paid by the Vermilion Parish Police Jury (the "Jury"). They are

- 1. Office space, equivalent to rent, is furnished by the Jury.
- 2. Utility bills are paid by the Jury
- 3. The Assessor's office has the use of miscellaneous office furniture owned by the Jury.

Note 9. Deferred Compensation Plan

The Assessor offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with the Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Assessors' employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana Participants' rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant

It is the opinion of management, after consulting with legal counsel, that the Assessor has no liability for losses under the plan

The Assessor makes matching contributions equal to the amount deferred by each employee, but not in excess of 5% of an employee's salary to the plan. For the year ended December 31, 2011, the Assessor contributed \$22,920 on behalf of its employees to the plan.

Note 10 Post Employment Benefits Other Than Pensions

Plan description.

The Assessor sponsors a Retiree Healthcare Plan (multi-employer defined benefit Other Post Employment Benefit (OPEB) plan) through which it extends medical, dental, and life benefits to qualifying employees upon actual retirement.

A covered employee becomes eligible for participation on his date of hire

A covered employee may retire at or after age 55 with at least 12 years of credited service or at any age with at least 30 years of credited service

Coverage is also provided to spouses of retirees who are receiving benefits at the time of retirement. If the retiree predeceases the spouse, coverage for the surviving spouse continues

Contribution rates:

Employees do not contribute to their post-employment benefit costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents

Fund policy.

Until fiscal year 2009, the Assessor recognized the cost of providing post employment benefits (Assessor's portion or retiree benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post employment benefits on a pay-as-you-go basis.

Effective with the fiscal year beginning January 1, 2009, the Assessor implemented Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions (GASB 45) The requirements of GASB 45 are being implemented prospectively. Accordingly, for financial reporting purposes, no liability is reported for the post employment benefits liability at the date of transition. The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs. In fiscal year 2011, the Assessor's portion of health care funding cost for retired employees totaled \$44,302. This amount was applied toward the net OPEB Benefit Obligation as shown in the table on the next page.

Annual required contribution

The Assessor's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the normal cost plus the amortization of the unfunded actuarial accrued liability. A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the post employment benefits. The total ARC for the fiscal year beginning January 1, 2011 is \$171,610 as set forth below

Normal cost at fiscal year end	\$ 65,586
Amortization of unfunded Actuarial	
Accrued Liability (UAAL)	106,024
Annual required contribution (ARC)	\$ 171.610

Net post employment benefit obligation:

The table below shows the Assessor's net OPEB obligation for the fiscal year ending December 31, 2011

Beginning net OPEB obligation at January 1, 2011	\$ 270,437
Annual required contribution (ARC) Interest on prior year net OPEB obligation ARC adjustment	\$ 171,610 10,817 (15,463)
Annual OPEB cost Contributions (current year retiree premiums)	\$ 166,964 (44,302)
Increase in net OPEB obligation	\$ 122,662
Ending net OPEB obligation at December 31, 2011	<u>\$ 393,099</u>

The Assessor's annual OPEB cost is \$166,964, \$169,103, and \$171,610 for the years ended December 31, 2011, 2010, and 2009, respectively. The percentage of annual cost contributed and the net unfunded OPEB obligation is 26 53% and \$393,099 for the year ended December 31, 2011, 23 23% and \$270,437 for the year ended December 31, 2010, and 18.06% and \$140,618 for the year ended December 31, 2009.

Funding status and funding progress

The Assessor made no contributions to its post employment benefits plan during the year ended December 31, 2011. The plan was not funded, has no assets, and hence has a funded ratio of zero. As of January 1, 2009, the first and most recent actuarial valuation, the Actuarial Accrued Liability

(AAL) was \$1,833,365 (medical - \$1,564,861, life - \$220,779, and dental - \$47,725), which is defined as that portion, as determined by a particular actuarial cost method (the Assessor uses the Unit Credit Actuarial Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal years 2009, 2010, and 2011, the entire AAL of \$1,833,365 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$479,923 and the ratio of the unfunded AAL to the covered payroll was 382 01%.

Actuarial methods and assumptions.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for the post employment benefits includes estimates and assumptions regarding (1) withdrawal rate; (2) retirement rate; (3) healthcare and dental cost trend rates, (4) mortality rate, (5) discount rate (investment return assumption); (6) disability rate; (7) coverage rate; and (8) the period to which the costs apply (past, current, or future years of service by employees) Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Assessor and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Assessor and its plan members to that point. The projection of benefits for the financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Assessor and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets

Actuarial cost method.

The ARC is determined using the Unit Credit Actuarial Cost Method. The employer portion of the cost for retiree benefits in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions including the investment rate of return assumption (discount rate), mortality, retirement, disability, coverage, and withdrawal rates.

Actuarial value of plan assets:

Since this is the first actuarial valuation, there are not any assets

Withdrawal rate

The following annual rates of withdrawal were used.

Years	
of Service	Rate
1 or less	12 0%
2 - 6	5 0%
7 - 8	4.0%
9 - 12	3.0%
13 - 14	2 0%
15 or more	1 0%

Investment return assumption (discount rate).

GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan that is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation, which represents a reasonable estimate of short-term pooled funds.

Health care and dental cost trend rates.

The expected rates of increase in benefit costs were assumed as follows:

Medic	al	Den	tal
Year	Rate	Year	Rate
2009-2010	6.50%	2009	5.80%
2011	6.60%	2010	5.67%
2012-2014	6.20%	2011	5.53%
2015-2019	6.10%	2012	5.40%
2020-2025	6 00%	2013	5 26%
2026-2031	5 90%	2014	5.13%
2032-2033	5 80%	2015	4.99%
2034	5 70%	2016	4.86%
2035-2036	5 60%	2017	4.72%
2037-2038	5.50%	2018	4.59%
2039-2041	5 40%	2019	4.45%
2042-2046	5 30%	2020	4 32%
2047-2053	5 20%	2021	4 18%
2054-2062	5 10%	2022	4 05%
2063-2075	5 00%	2023+	4.00%
2076	4 90%		
2077	4 80%		
2078	4 70%		
2079-2085	4.60%		
2086+	4 50%		

Retirement rate:

The expected rate of retirement was assumed as follows.

Age	Percentage
46 - 49	22%
50 - 54	44%
55 - 57	4%
58 - 62	18%
63+	28%

Mortality rate

The Combined Annuity and Nonannuity mortality tables applicable for the year of the measurement date based on RP2000 Annuity and Nonannuity Mortality Tables for males and females which have been projected by using the Society of Actuaries Table AA, and methods pursuant to IRS Regulation 1.430(h)(3)-1 were used

Coverage rate:

One hundred percent of employees who elect coverage while inactive employees and who are eligible for retiree medical benefits are assumed to elect continued medical coverage in retirement. Twenty percent of members electing coverage are assumed to also elect coverage for a spouse.

Method of determining value of benefits:

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid.

Note 11. Risk Management

The Assessor is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Assessor purchases commercial insurance to cover any claims related to these risks

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REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE GENERAL FUND

Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues: Ad valorem taxes	¢ 200 026	C 705 CE4	c 20C 552	000
Intergovernmental -	\$ 798,826	\$ 785,654	\$ 786,553	\$ 899
Federal grant	_	_	8,513	8,513
State revenue sharing	52,000	52,185	56,014	3,829
Vermilion Parish Police Jury	32,000	15,000	15,000	3,029
Charges for services	15,026	17,626	16,789	(837)
Investment earnings	11,500	7,184		
Investment earnings	11,500	7,104	<u>7,630</u>	446
Total revenues	\$ 877,352	\$ 877,649	\$ 890,499	\$ 12,850
Expenditures				
Current -				
General government				
Salaries and related				
expenditures	\$ 748,604	\$ 770,189	\$ 759,062	\$ 11,127
Professional services	9,300	7,800	10,491	(2,691)
Automobile insurance	3,430	3,430	3,609	(179)
Telephone	7,000	7,212	7,348	(136)
Advertising	2,500	2,540	2,273	267
Computer	12,161	11,786	15,117	(3, 331)
Travel and meals	11,700	18,220	14,712	3,508
Materials and supplies	19,000	19,073	19,365	(292)
Lease expense	11,708	10,732	10,732	-
Schools and seminars	6,800	8,930	8,482	448
Dues and subscriptions	4,000	4,200	4,582	(382)
Other	10,400	8,663	7,638	1,025
Capital outlay			8,513	(8,513)
Total expenditures	\$ 846,603	\$ 872,775	\$ 871,924	<u>\$ 851</u>
Net change in fund balance	<u>\$ 30,749</u>	<u>\$ 4,874</u>	\$ 18,575	<u>\$ 13,701</u>
Fund balance, beginning			419,261	
Fund balance, ending			<u>\$ 437,836</u>	

See Note to Budgetary Comparison Schedule

NOTE TO BUDGETARY COMPARISON SCHEDULE

Note 1 Budgets and Budgetary Accounting

The Assessor follows the following procedures in establishing the budgetary data reflected in the financial statements:

- 1 The Assessor prepares a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- 2 The proposed budget is published in the official journal prior to a public hearing
- 3 A public hearing is held at the Assessor's office to obtain taxpayer comments
- 4 The budget is then legally adopted by the Assessor
- 5. The budget is adopted on a basis consisted with generally accepted accounting principles (GAAP)

All budged appropriations lapse at year-end. The budgets presented are the originally adopted budget and the final budget

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Sidney L. Broussard, CPA 1925-2005
Leon K. Poché, CPA 1984
James H. Breaux, CPA 1987
Erma R. Wahon, CPA 1988
George A. Lewis, CPA 1992
Geraldine J. Wimberley, CPA 1995
Lawrence A. Cramer, CPA 1999
Ralph Friend, CPA 2002
Donald W. Kelley, CPA 2005
George J. Trappey, III, CPA 2007
Terrel P. Dressel, CPA 2007
Herbert Lemoine II, CPA 2008
Mary T. Miller, CPA 2011

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Vermilion Parish Assessor Abbeville, Louisiana

We have audited the basic financial statements of the Vermilion Parish Assessor as of and for the year ended December 31, 2011 and have issued our report thereon dated March 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Assessor's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Assessor's internal control over financial reporting Accordingly, we do not express an opinion on the effectiveness of the Assessor's internal control over financial reporting

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Assessor's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses, and therefore, there can be no assurance that all such deficiencies have been identified

Members of American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Assessor's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Assessor's response and, accordingly, we express no opinion on it

This report is intended for the information and use of the Vermilion Parish Assessor, management, others within the entity, federal awarding agencies and pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Bionssord Pache, Lewis ? Brange LLP.

Lafayette, Louisiana March 16, 2012

SCHEDULE OF FINDINGS AND RESPONSES Year Ended December 31, 2011

We have audited the basic financial statements of the Vermilion Parish Assessor as of and for the year ended December 31, 2011, and have issued our report thereon dated March 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2011 resulted in an unqualified opinion

Section I. Summary of Auditors' Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control Material weaknesses	_X Yes	No
Control deficiencies identified that are not considered to be material weaknesses	Yes	X None reported
Compliance Compliance material to financial statements	Yes	X No

Section II. Financial Statement Findings

#2011-1 Segregation of Duties

Finding: The Assessor does not have an adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Assessor may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Assessor should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Response: Management has provided as much segregation as possible with the resources available.

SCHEDULE OF PRIOR FINDINGS Year Ended December 31, 2011

Section I. Internal Control and Compliance Material to the Financial Statements

#2010-1 Segregation of Duties

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Assessor should monitor assignment of duties to assure as much segregation of duties and responsibility as possible

Current Status. This finding is in the current year's schedule of findings and expenses at #2011-1. The Assessor has provided as much segregation of duties as possible with the resources available.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable

Section III. Management Letter

The prior year's report did not include a management letter.